

March 14, 2009

Potential use of federal cash stimulates discussion

Speakers talk about how Iowa's \$2.1 billion piece of the stimulus package would help future growth.

By *DONNELLE ELLER*
deller@dmreg.com

John Irving of Baker Electric is hopeful Iowa's \$2.1 billion share of the federal stimulus package will meet its promise of creating 37,000 jobs in the state.

"It's a combination of excitement and wait-and-see," said Irving, Baker's business director. Irving was one of about 250 business leaders attending a Greater Des Moines Partnership panel discussion Friday about how the \$790 billion federal stimulus package could spark Iowa's economy.

Fifteen speakers — a diverse lineup that ranged from Roya Stanley, director of Iowa's Office of Energy Independence, to Joe Folsom, district director of the Iowa Small Business Administration, and Jeff Berger of the Iowa Department of Education — outlined how state and local leaders would spend millions of dollars during the next two years.

Some speakers, such as Krista Tanner, a member of the Iowa Utilities Board, said it's not immediately clear how federal money will be distributed and who could benefit.

Tanner said the stimulus packages includes \$2.5 billion for improved broadband access in rural areas - for distance learning, for telemedicine, and for workers to telecommute to their offices. Issues such as determining areas that are underserved contribute to the uncertainty about where the money will land, she said.

Nancy Richardson said she's confident Iowa will snag the \$358 million in federal money earmarked for state roads, bridges and other infrastructure. But the director of the Iowa Department of Transportation also wants to scoop up money other states are too unprepared to secure.

"It's use it or lose it, and Iowa will not lose \$1," she said. "We're poised to get other money" that becomes available.

Richardson said the initiative is first about creating jobs, which is why most of the "shovel-ready projects" will start this summer.

The stimulus money is expected to create 37,000 jobs in Iowa over two years — from construction to production as spending ripples through the economy.

Gov. Chet Culver also has proposed spending \$750 million through bonding on projects like new water systems and community college buildings. The state estimates the money would create an additional 22,000 jobs, a Culver official said.

Richardson said large, multiyear projects that require environmental studies and right-of-way

negotiations would likely get moved up as stimulus projects are cleared from the state's list.

Leaders said the stimulus money also will go to things like making loans easier for small business owners to get, helping young lowans struggling to find jobs and helping out-of-work families get affordable housing.

Stanley said the stimulus money could be used to provide a rebate for homeowners buying energy-efficient refrigerators or help Whirlpool Corp. make its Amana refrigerator plant operate more energy efficiently.

"Everything you've heard about is economic development," said Michael Tramontina, the state's economic development director.

Baker Electric's Irving said he's eager to see new building projects replace the work that disappeared last fall. "The private projects just ended" as access to credit shut down new development, he said.

Irving expects the broad-based stimulus spending will spread throughout the shaky economy. "We need to be hopeful as the economy heals," he said.
